



DEPARTMENT OF AGRICULTURE

Rural Housing Service

Rural Business-Cooperative Service

Rural Utilities Service

7 CFR Parts 1710, 1735, 1737, 1738, 1739, 1740, 1774, 1775, 1776, 1777, 1778, 1780, 1783, 1942, 1980, 3570, 4274, 4279, 4280, 4284, 4288, 4290, and 5001

Docket No. RHS-22-Agency-0013

Rural Development Policy on Exclusion of Populations

AGENCY: Rural Housing Service, Rural Business-Cooperative Service, and Rural Utilities Service, USDA.

ACTION: Final rule.

SUMMARY: The Rural Housing Service, Rural Business-Cooperative Service, and Rural Utilities Service, agencies in the United States Department of Agriculture (USDA) Rural Development Mission area, are issuing a final rule to implement the exclusion of certain populations from the definition of “Rural area.” The rule updates the definition of “Rural area” for every Rural Development program using the Consolidated Farm and Rural Development Act (CONAct) definition to conform to the revision to the statutory definition in the 2018 Farm Bill.

DATES: This rule is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: John Delaney, Senior Advisor, Rural Development Innovation Center, USDA, 202-720-9705 or John.Delaney@usda.gov.

SUPPLEMENTARY INFORMATION:

I. Background

The Consolidated Farm and Rural Development Act (CON Act) and the Rural Electrification Act (RE Act) authorize USDA assistance programs for agriculture and rural development in America's rural areas. Section 6301 of the Agriculture Improvement Act of 2018 (2018 Farm Bill) allows for the exclusion of certain prison and military populations from the definition of rural area contained in the CON Act and used in the RE Act.

This rule updates the definition of "Rural area" to adopt the statutory definition provided in the 2018 Farm Bill for affected programs that have not already been updated. Section 6301 of the Farm Bill amends the rural definition in Section 343(a)(13) of the Con Act and excludes the following from rural area population counts: (1) individuals incarcerated on a long-term or regional basis, and (2) the first 1,500 individuals who reside in housing located on a military base

Rural Development has updated its eligibility mapping tools to include areas that are now eligible under the revised statutory definition. Notwithstanding those updates, any community or member of the community who believes that their community should be included may contact the individual identified in the **FOR FURTHER INFORMATION CONTACT** section of this rule.

The Administrative Procedures Act exempts from prior notice any actions "relating to agency management or personnel or to public property, loans, grants, benefits, or contracts" (5 U.S.C. 553(b)(A)); therefore, Rural Development is issuing this action as a final rule.

Authority

The authority for this final rule comes from the Agricultural Improvement Act of 2018, Public Law 115-334, sec. 6301 (2018) (2018 Farm Bill) and applies to all programs under the Con Act and RE Act.

Executive Order 12372 - Intergovernmental Consultation

This final rule is not subject to the requirements of Executive Order 12372, “Intergovernmental Review,” as implemented under USDA's regulations at 2 CFR part 415, subpart C, because this final rule provides general guidance on population exclusions as a whole. Applications for Agency programs will be reviewed individually under Executive Order 12372 as required by program procedures.

Executive Order 12866 - Classification

This final rule is not subject to the provisions of Executive Order 12866 because it adopts statutory language that instructs the agency on how to qualify eligible projects, therefore, it has not been reviewed by the Office of Management and Budget (OMB) under Executive Order 12866.

Executive Order 12988 - Civil Justice Reform

This final rule has been reviewed under Executive Order 12988. In accordance with this final rule: (1) unless otherwise specifically provided, all State and local laws that conflict with this rule will be preempted; (2) no retroactive effect will be given to this rule except as specifically prescribed in the rule; and (3) administrative proceedings of the National Appeals Division of the Department of Agriculture (7 CFR part 11) must be exhausted before bringing suit in court that challenges action taken under this rule.

Executive Order 13132 - Federalism

The policies contained in this final rule do not have any substantial direct effect on States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government. This

final rule does not impose substantial direct compliance costs on State and local governments; therefore, consultation with States is not required.

Congressional Review Act

Pursuant to the Congressional Review Act (5 U.S.C. 801 et seq.), the Office of Information and Regulatory Affairs designated this final rule as not a major rule, as defined by 5 U.S.C. 804(2).

National Environmental Policy Act

This rule has been reviewed in accordance with 7 CFR part 1970, Subpart A, “Environmental Policies.” Rural Development has determined that this action does not constitute a major Federal action significantly affecting the quality of the environment. In accordance with the National Environmental Policy Act of 1969, Public Law 91-190, an Environmental Impact Statement is not required.

Regulatory Flexibility Act

The final rule has been reviewed with regard to the requirements of the Regulatory Flexibility Act (5 U.S.C. 601-612). The undersigned has determined and certified by signature on this document that this rule will not have a significant economic impact on a substantial number of small entities since this rulemaking action does not involve a new or expanded program nor does it require any more action on the part of a small business than required of a large entity.

Unfunded Mandate Reform Act (UMRA)

Title II of the UMRA, Public Law 104-4, establishes requirements for Federal Agencies to assess the effects of their regulatory actions on State, local, and tribal

Governments and on the private sector. Under section 202 of the UMRA, Federal Agencies generally must prepare a written statement, including cost-benefit analysis, for proposed and final rules with “Federal mandates” that may result in expenditures to State, local, or tribal Governments, in the aggregate, or to the private sector, of \$100 million or more in any one year. When such a statement is needed for a rule, section 205 of the UMRA generally requires a Federal Agency to identify and consider a reasonable number of regulatory alternatives and adopt the least costly, more cost-effective, or least burdensome alternative that achieves the objectives of the rule.

This final rule contains no Federal mandates (under the regulatory provisions of title II of the UMRA) for State, local, and tribal Governments or for the private sector. Therefore, this final rule is not subject to the requirements of sections 202 and 205 of the UMRA.

Paperwork Reduction Act

This final rule contains no reporting or recordkeeping provisions requiring Office of Management and Budget (OMB) approval under the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35).

E-Government Act Compliance

Rural Development is committed to complying with the E-Government Act by promoting the use of the Internet and other Information Technologies in order to provide increased opportunities for citizen access to Government information, services, and other purposes.

Programs Affected

The programs affected by this regulation are listed in the Assistance Listing Catalog (formerly Catalog of Federal Domestic Assistance) under numbers:

10.752-Rural eConnectivity Pilot Program.

10.759- Special Evaluation Assistance for Rural Communities and Households (SEARCH).

10.760-Water & Waste Disposal System Systems for Rural Communities.

10.761-Technical Assistance and Training Grants.

10.762-Solid Waste Management Grants.

10.763-Emergency Community Water Assistance Grants.

10.770-Water & Waste Disposal Loan and Grants (Section 306C).

10.771-Rural Cooperative Development Grants.

10.766-Community Facilities Loans and Grants.

10.768-Business and Industry Loans.

10.850-Rural Electrification Loans and Loan Guarantees.

10.851-Rural Telephone Loans and Loan Guarantees.

10.854-Rural Economic Development Loans and Grants.

10.860-Rural Business Investment Program

10.862-Rural Decentralized Water Systems Grant Program.

10.863-Community Connect Grants.

10.864-Grant Program to Establish a Fund for Financing Water and Wastewater Projects.

10.865-Biorefinery Assistance Program.

10.867-Bioenergy Program for Advanced Biofuels.

10.868-Rural Energy for America Program.

10.870-Rural Microentrepreneur Assistance Program.

10.886-Rural Broadband Access Loan and Loan Guarantee Program.

Executive Order 13175, Consultation and Coordination with Indian Tribal Governments

Executive Order 13175 imposes requirements on Rural Development in the development of regulatory policies that have tribal implications or preempt tribal laws. Rural Development has determined that this final rule does not have a substantial direct effect on one or more Indian tribe(s) or on either the relationship or the distribution of powers and responsibilities between the Federal Government and Indian tribes. Thus, this final rule is not subject to the requirements of Executive Order 13175. If tribal leaders are interested in consulting with Rural Development on this final rule, they are encouraged to contact USDA's Office of Tribal Relations or Rural Development's Native American Coordinator at: *AIAN@usda.gov* to request such a consultation.

Civil Rights Impact Analysis

Rural Development has reviewed this final rule in accordance with USDA Regulation 4300-4, Civil Rights Impact Analysis," to identify any major civil rights impacts the rule might have on program participants on the basis of age, race, color,

national origin, sex, or disability. After review and analysis of the rule and available data, it has been determined that issuance of this Final Rule will neither adversely nor disproportionately impact very low, low and moderate-income populations, minority populations, women, Indian tribes or persons with disability, by virtue of their race, color, national origin, sex, age, disability, or marital or familial status.

Non-Discrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Mission Areas, agencies, staff offices, employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, familial/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotape, American Sign Language) should contact the responsible Mission Area, agency, or staff office; the USDA TARGET Center at (202) 720-2600 (voice and TTY); or the Federal Relay Service at (800) 877-8339.

- (1) To file a program discrimination complaint, a complainant should complete Form AD-3027, USDA Program Discrimination Complaint Form, which can be obtained online at <https://www.ocio.usda.gov/document/ad-3027>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to

USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:Mail: U.S.

Department of Agriculture

Director, Office of Adjudication

1400 Independence Avenue, SW

Washington, D.C. 20250-9410;

(2) Fax: (202) 690-7442; or

(3) E-Mail: program.intake@usda.gov.

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List of Subjects

7 CFR Part 1710

Electric power, Grant programs-energy, Loan programs-energy, Reporting and recordkeeping requirements, Rural areas.

7 CFR Part 1735

Loan programs-communications, Reporting and recordkeeping requirements, Rural areas, Telephone.

7 CFR Part 1737

Loan programs-communications, Reporting and recordkeeping requirements, Rural areas, Telephone.

7 CFR Part 1738

Fees, Loan programs-communications, Rural areas, Telecommunications, Telephone.

7 CFR Part 1739

Grant programs-communications, Rural areas, Telecommunications, Telephone.

7 CFR Part 1740

Broadband, Community development, Grant programs—communications, Loan programs—communications, Rural areas, Telecommunications.

7 CFR Part 1774

Community development, Grant programs, Reporting and recordkeeping requirements, Rural areas, Waste treatment and disposal, Water supply.

7 CFR Part 1775

Business and industry, Community development, Community facilities, Grant programs-housing and community development, Reporting and recordkeeping requirements, Rural areas, Waste treatment and disposal, Water supply, Watersheds.

7 CFR Part 1776

Agriculture, Community development, Community facilities, Credit, Grant programs-housing and community development, Nonprofit organizations, Reporting and recordkeeping requirements, Rural areas, Waste treatment and disposal, Water pollution control, Water resources, Water supply, Watersheds.

7 CFR Part 1777

Community development, Community facilities, Grant programs-housing and community development, Loan programs-housing and community development, Reporting and recordkeeping requirements, Rural areas, Waste treatment and disposal, Water supply, Watersheds.

7 CFR Part 1778

Community development, Community facilities, Grant programs-housing and community development, Reporting and recordkeeping requirements, Rural areas, Waste treatment and disposal, Water supply, Watersheds

7 CFR Part 1780

Community development, Community facilities, Grant programs-housing and community development, Loan programs-housing and community development, Reporting and recordkeeping requirements, Rural areas, Waste treatment and disposal, Water supply, Watersheds

7 CFR Part 1783

Business and industry, Community development, Community facilities, Grant programs-housing and community development, Reporting and recordkeeping requirements, Rural areas, Waste treatment and disposal, Water supply, Watersheds

7 CFR Part 1942

Business and industry, Community facilities, Fire prevention, Grant programs-business, Grant programs-housing and community development, Grant programs-Indians, Indians, Loan programs-agriculture, Loan programs-housing and community development, Loan programs-Indians, Loan programs-natural resources, Reporting and recordkeeping requirements, Rural areas, Soil conservation, Waste treatment and disposal, Water supply, Watersheds

7 CFR Part 1980

Agriculture, Business and industry, Community facilities, Credit, Disaster assistance, Livestock, Loan programs-agriculture, Loan programs-business, Loan programs-housing and community development, Low and moderate income housing, Reporting and recordkeeping requirements, Rural areas

7 CFR Part 3570

Administrative practice and procedure, Fair housing, Grant programs-housing and community development, Housing, Low and moderate income housing, Reporting and recordkeeping requirements, Rural areas

7 CFR Part 4274

Community development, Loan programs-business, Reporting and recordkeeping requirements, Rural areas

7 CFR Part 4279

Community Development, Energy, Energy conservation, Fees, Grant programs, Loan programs-business, Loan programs-housing and community development, Renewable energy, Reporting and recordkeeping requirements, Rural areas

7 CFR Part 4280

Business and industry, Energy, Grant programs-business, Loan programs-business, Rural areas

7 CFR Part 4284

Business and industry, Community development, Community facilities, Grant programs-housing and community development, Loan programs-housing and community development, Reporting and recordkeeping requirements, Rural areas, Waste treatment and disposal, Water supply

7 CFR Part 4288

Administrative practice and procedure, Biobased products, Energy, Reporting and recordkeeping requirements

7 CFR Part 4290

Community development, Government securities, Grant programs-business, Reporting and recordkeeping requirements, Rural areas, Securities, Small businesses

7 CFR Part 5001

Business and industry, Community facility, Energy efficiency improvement, Loan programs, Renewable energy, Rural areas, Rural development, Water and waste disposal.

For the reasons set forth in the preamble, the Agency amends 7 CFR chapters XVII, XVIII, and XLII as follows:

**PART 1710 - GENERAL AND PRE-LOAN POLICIES AND PROCEDURES
COMMON TO ELECTRIC LOANS AND GUARANTEES**

1. The authority citation for part 1710 is revised to read as follows:

Authority: 7 U.S.C. 901 *et seq.*, 1921 *et seq.*, and 6941 *et seq.*

Subpart A - General

2. Amend §1710.2 in paragraph (a) by revising the definition of *Rural area* to read as follows:

§1710.2 Definitions and rules of construction.

(a) * * *

Rural area means—

(i) Any area of the United States, its territories and insular possessions (including any area within the Federated States of Micronesia, the Marshall Islands, and the Republic of Palau) other than a city, town, or unincorporated area that has a population of greater than 20,000 inhabitants;

(ii) Any area within a service area of a borrower for which a borrower has an outstanding loan as of June 18, 2008, made under titles I through V of the Rural Electrification Act of 1936 (7 U.S.C. 901-950bb). For initial loans to a borrower made after June 18, 2008, the “rural” character of an area is determined at the time of the initial loan to furnish or improve service in the area; and

(iii) Which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I).

* * * * *

**PART 1735 – GENERAL POLICIES, TYPES OF LOANS, LOAN
REQUIREMENTS – TELECOMMUNICATIONS PROGRAM**

3. The authority citation for part 1735 is revised to read as follows:

Authority: 7 U.S.C. 901 *et seq.*, 1921 *et seq.*, and 6941 *et seq.*

Subpart A - General

4. Amend §1735.2 by revising the first sentence in the definition of *Rural area* to read as follows:

§1735.2 Definitions.

* * * * *

Rural area means any area of the United States, its territories and insular possessions (including any area within the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau) not included within the boundaries of any incorporated or unincorporated city, village or borough having a population exceeding 5,000 inhabitants, and which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I). * * *

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**PART 1737 – PRE-LOAN POLICIES AND PROCEDURES COMMON TO
INSURED AND GUARANTEED TELECOMMUNICATIONS LOANS**

5. The authority citation for part 1737 is revised to read as follows:

Authority: 7 U.S.C. 901 *et seq.*, 1921 *et seq.*, and 6941 *et seq.*

Subpart A – General

6. Amend §1737.2 by revising the first sentence in the definition of *Rural area* to read as follows:

§1737.2 Definitions

* * * * *

Rural area means any area of the United States, its territories and possessions (including any area within the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau) not included within the boundaries of any incorporated or unincorporated city, village or borough having a population exceeding 5,000 inhabitants, and which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I). * * *

* * * * *

PART 1738 – RURAL BROADBAND LOANS/GRANT COMBINATIONS, AND LOAN GUARANTEES

7. The authority citation for part 1738 continues to read as follows:

Authority: 7 U.S.C. 901 *et seq.*

Subpart A – General

8. Amend §1738.2 in paragraph (a) by revising paragraph (iii) of the definition for *Rural area(s)* to read as follows:

§1738.2 Definitions.

* * * * *

Rural area(s) * * *

(iii) Which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I).

* * * * *

PART 1739 – BROADBAND GRANT PROGRAM

9. The authority citation for part 1739 is revised to read as follows:

Authority: 7 U.S.C. 901 *et seq.*

Subpart A – Community Connect Grant Program

10. Amend §1739.3 by revising the first sentence in paragraph (2) of the definition of *Rural area* to read as follows:

§1739.3 Definitions.

* * * * *

Rural area * * *

(2) An urbanized area contiguous and adjacent to a city or town that has a population of greater than 50,000 inhabitants, and which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I). * * *

* * * * *

PART 1740 – RURAL ECONNECTIVITY PROGRAM

11. The authority citation for part 1740 continues to read as follows:

Authority: 7 U.S.C. 1981(b)(4), 7 U.S.C. 901 *et seq.*, 7 U.S.C. 950aaa *et seq.*, and 7 U.S.C. 950cc.

Subpart A – General

12. Amend §1740.2 in paragraph (a) by revising the definition of *Rural area* to read as follows:

§1740.2 Definitions.

* * * * *

Rural area means any area that is not located within:

(i)(A) A city, town, or incorporated area that has a population of greater than 20,000 inhabitants; or

(B) An urbanized area contiguous and adjacent to a city or town that has a population of greater than 50,000 inhabitants as defined in the Agency mapping tool.

(ii) In determining a rural area, all areas shall exclude certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I).

* * * * *

PART 1774 – SPECIAL EVALUATION ASSISTANCE FOR RURAL COMMUNITIES AND HOUSEHOLDS PROGRAM (SEARCH)

13. The authority citation for part 1774 continues to read as follows:

Authority: 7 U.S.C. 1926(a)(2)(C).

Subpart A – General Provisions

14. Amend §1774.2 by revising the definition of *Rural area* to read as follows:

§1774.2 Definitions.

* * * * *

Rural area. For the purposes of this SEARCH program, any communities in a city, town, or unincorporated area with populations of 2,500 or fewer inhabitants, according to the most recent decennial Census of the United States (decennial Census), and which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I)

* * * * *

PART 1775—TECHNICAL ASSISTANCE GRANTS

15. The authority citation for part 1775 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1989; 16 U.S.C. 1005.

Subpart A – General Provisions

16. Amend §1775.2 by revising the first sentence in the definition of *Rural area* to read as follows:

§1775.2 Definitions.

* * * * *

Rural area. Any area not in a city or town with a population in excess of 10,000, according to the most recent decennial Census of the United States, and which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I).* * *

* * * * *

PART 1776— RURAL DECENTRALIZED WATER SYSTEMS

17. The authority citation for part 1776 continues to read as follows:

Authority: 7 U.S.C. 1926e.

Subpart A – General

18. Amend §1776.3 by revising the definition of *Rural area* to read as follows:

§1776.3 Definitions.

* * * * *

Rural area means any area other than a city or town that has a population of greater than 50,000 inhabitants, the urbanized area contiguous and adjacent to such city or town, and which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I).

* * * * *

PART 1777—SECTION 306C WWD LOANS AND GRANTS

19. The authority citation for part 1777 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1989; 16 U.S.C. 1005.

20. Amend §1777.4 by revising the first sentence in the definition of *Rural areas* to read as follows:

§1777.4 Definitions.

* * * * *

Rural areas. Includes unincorporated areas and any city or town with a population not in excess of 10,000 inhabitants located in any of the 50 States, the Commonwealth of

Puerto Rico, the Western Pacific Territories, Marshall Islands, Federated States of Micronesia, Republic of Palau, and the U.S. Virgin Islands, and which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I). * * *

* * * * *

PART 1778—EMERGENCY AND IMMINENT COMMUNITY WATER ASSISTANCE GRANTS

21. The authority citation for part 1778 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1989; 16 U.S.C. 1005.

22. Amend §1778.4 by revising the first sentence in the definition of *Rural areas* to read as follows:

§1778.4 Definitions.

* * * * *

Rural areas. Includes any area not in a city or town with a population in excess of 10,000 inhabitants located in any of the fifty States, the Commonwealth of Puerto Rico, the Western Pacific Territories, Marshall Islands, Federated States of Micronesia, Republic of Palau, and the U.S. Virgin Islands, and which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I). * * *

* * * * *

PART 1780 – WATER AND WASTE LOANS AND GRANTS

23. The authority citation for part 1780 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1989; 16 U.S.C. 1005.

Subpart A – General Policies and Requirements

24. Amend §1780.3 in paragraph (a) by revising the first sentence in the definition of *Rural and rural area* to read as follows:

§1780.3 Definitions and grammatical rules of construction.

(a) * * *

Rural and rural areas mean any area not in a city or town with a population in excess of 10,000 inhabitants, and which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I). * * *

* * * * *

PART 1783—REVOLVING FUNDS FOR FINANCING WATER AND WASTEWATER PROJECTS (REVOLVING FUND PROGRAM)

25. The authority citation for part 1783 continues to read as follows:

Authority: 7 U.S.C. 1926(a)(2)(B).

Subpart A - General

26. Amend §1783.3 by revising the definition of *Rural and rural area* to read as follows:

§1783.3 What definitions are used in this regulation?

* * * * *

Rural and rural area means a city, town or unincorporated area that has a population of no more than 10,000 inhabitants, and which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I). The population figure is obtained from the most recent decennial Census of the United States (decennial Census).

* * * * *

PART 1942 – ASSOCIATIONS

27. The authority citation for part 1942 continues to read as follows:

Authority: 5. U.S.C. 301; 7 U.S.C. 1989.

Subpart A – Community Facility Loans

28. Amend §1942.17 by removing paragraph (b)(2)(iii) and redesignating paragraph (b)(2)(iv) as (b)(2)(iii) and revising it to read as follows:

§1942.17 Community facilities.

* * * * *

(b)* * *

(2) * * *

(iii) For essential community facilities, the terms *rural* and *rural area* will not include any area in any city or town with a population in excess of 20,000 inhabitants, but excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I). The population figure is obtained from the most recent decennial Census. If the applicable population figure cannot be obtained from the most recent decennial Census, RD will determine the applicable population figure based on available population data.

* * * * *

PART 1980 – GENERAL

29. The authority citation for part 1980 continues to read as follows:

Authority: 5. U.S.C. 301; 7 U.S.C. 1989. Subpart E also issued under 7 U.S.C. 1932(a).

Subpart E – Business and Industrial Loan Program

30. Amend §1980.405 by revising the introductory text to read as follows:

§1980.405 Rural areas.

The business financed with a B&I loan must be located in a rural area. Loans to borrowers with facilities located in both rural and non-rural areas will be limited to the amount necessary to finance the facility located in the eligible rural area. Cooperatives

that are headquartered in a non-rural area may be eligible for a B&I loan if the loan is used for a project or venture that is located in a rural area. Rural areas are any areas other than a city or town that has a population of greater than 50,000 inhabitants, the urbanized area contiguous and adjacent to such a city or town, as defined by the U.S. Bureau of the Census, and which exclude certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I). For the purpose of this section:

* * * * *

PART 3570 – COMMUNITY PROGRAMS

31. The authority citation for part 3570 continues to read as follows:

Authority: 5. U.S.C. 301; 7 U.S.C. 1989.

Subpart B – Community Facilities Grant Program

32. Amend §3570.53 by revising the definition of *Rural and rural area* to read as follows:

§3570.53 Definitions.

* * * * *

Rural and rural area. The terms “rural” and “rural area” mean a city, town, or unincorporated area that has a population of 20,000 inhabitants or less and which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I). The population figures are obtained from the most recent decennial Census of the United States (decennial Census).

* * * * *

PART 4274 – DIRECT AND INSURED LOANS

33. The authority citation for part 4274 continues to read as follows:

Authority: 5. U.S.C. 301; 7 U.S.C. 1932 note; 7 U.S.C. 1989.

Subpart D – Intermediary Relending Program (IRP)

34. Amend §4274.302 by revising the first sentence in the introductory text of the definition of *Rural or rural area* to read as follows:

§4274.302 Definitions.

* * * * *

Rural or rural area. Any area of a State not in a city or town that has a population of more than 50,000 inhabitants, and which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I), according to the latest decennial census of the United States and not in the urbanized area contiguous and adjacent to a city or town that has a population of more than 50,000 inhabitants. * * *

* * * * *

PART 4279 – GUARANTEED LOANMAKING

35. The authority citation for part 4279 continues to read as follows:

Authority: 5. U.S.C. 301; 7 U.S.C. 1989; 7 U.S.C. 310B(a)(2); 7 U.S.C. 8103.

Subpart B – Business and Industry Loans

36. Amend §4279.108 by revising paragraph (c)(1) to read as follows:

§4279.108 Eligible borrowers.

* * * * *

(c) * * *

(1) Rural areas are any area of a State other than a city or town that has a population of greater than 50,000 inhabitants and any urbanized area contiguous and adjacent to such a city or town, and which excludes certain populations pursuant to 7 U.S.C.

1991(a)(13)(H) and (I). In making this determination, the Agency will use the latest decennial census of the United States.

* * * * *

Subpart C—Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Loans

37. Amend §4279.202 by revising the definition of *Rural or rural area* to read as follows:

4279.202 Definitions and abbreviations.

* * * * *

Rural or rural area. As described in 7 U.S.C. 1991(a)(13)(A), (D), (H) and (I).

* * * * *

PART 4280 – LOANS AND GRANTS

38. The authority citation for part 4280 continues to read as follows:

Authority: 7 U.S.C. 1989(a); 7 U.S.C. 2008s.

Subpart A – Rural Economic Development Loan and Grant Programs

39. Amend §4280.3 by revising the definition of *Rural area* to read as follows:

§4280.3 Definitions.

* * * * *

Rural area. This information will be taken from the most recent census data. Any area other than:

- (1) A city or town that has a population of greater than 50,000 inhabitants;
- (2) The urbanized area contiguous and adjacent to such a city or town; and
- (3) Which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I).

* * * * *

Subpart B - Rural Energy for America Program

40. Amend §4280.103 by revising the first sentence of the introductory text in the definition of *Rural or rural area* to read as follows:

§4280.103 Definitions.

* * * * *

Rural or rural area. Any area of a State not in a city or town that has a population of more than 50,000 inhabitants, not in the urbanized area contiguous and adjacent to a city or town that has a population of more than 50,000 inhabitants, and excluding certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I). * * *

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Subpart D—Rural Microentrepreneur Assistance Program

41. Amend §4280.302 in paragraph (a) by revising the first sentence of the introductory text in the definition of *Rural or rural area* to read as follows:

§4280.302 Definitions and abbreviations.

(a) * * *

Rural or rural area. Any area of a State not in a city or town that has a population of more than 50,000 inhabitants, not in the urbanized area contiguous and adjacent to a city or town that has a population of more than 50,000 inhabitants, and excluding certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I). * * *

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PART 4284-GRANTS

42. The authority citation for part 4284 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C.1989.

Subpart A – General Requirements for Cooperative Services Grant Programs

43. Amend §4284.3 by revising the definition for *Rural and rural area* to read as follows:

§4284.3 Definitions.

* * * * *

Rural and rural area—includes all the territory of a state that is not within the outer boundary of any city or town having a population of 50,000 or more and the urbanized area contiguous and adjacent to such city or town, as defined by the U.S. Bureau of the Census using the most recent decennial Census of the United States, and which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I).

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PART 4288-PAYMENT PROGRAM

44. The authority citation for part 4288 continues to read as follows:

Authority: 5. U.S.C. 301; 7 U.S.C.1989.

Subpart A – Repowering Assistance Payments to Eligible Biorefineries

45. Amend §4288.2 by revising the introductory text of the definition of *Rural or rural area* to read as follows:

§4288.2 Definitions.

* * * * *

Rural or rural area. Any area of a State not in a city or town that has a population of more than 50,000 inhabitants according to the most recent decennial Census of the United States, not in the urbanized area contiguous and adjacent to a city or town that has a population of more than 50,000 inhabitants, and which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I), as well as any area that has been determined to be “rural in character” by the Under Secretary for Rural Development, or as otherwise identified in this definition.

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**PART 4290 – RURAL BUSINESS INVESTMENT COMPANY (RBIC)
PROGRAM**

46. The authority citation for part 4290 continues to read as follows:

Authority: 7 U.S.C.1989 and 2009cc *et seq.*

Subpart B – Definition of Terms Used in Part 4290

47. Amend §4290.50 by revising the introductory text of the definition of *Rural area* to read as follows:

§4290.50 Definition of terms.

* * * * *

Rural area means any area of a State not in a city or town that has a population of more than 50,000 inhabitants according to the most recent decennial Census of the United States (decennial Census), not in the urbanized area contiguous and adjacent to a city or town that has a population of more than 50,000 inhabitants, and which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I), as well as any area that has been determined to be “rural in character” by the Under Secretary for Rural Development, or as otherwise identified in this definition.

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Part 5001 - GUARANTEED LOANS

48. The authority citation for part 5001 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1926(a); 7 U.S.C. 1932(a); and 7 U.S.C. 8107.

Subpart A - General Provisions

49. Amend §5001.3 by revising the first sentence in the introductory text of the definition for *Rural* and *rural area* to read as follows:

§5001.3 Definitions.

* * * * *

Rural and *rural area* means any area of a State not in a city or town that has a population of more than 50,000 inhabitants, not in the urbanized area contiguous and adjacent to a city or town that has a population of more than 50,000 inhabitants, and which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I). * * *

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